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REF: JAKARTA 1296

E.O. 12958: N/A TAGS: <u>PGOV</u> <u>UN</u>

SUBJECT: EAST TIMOR: XANANA GUSMAO WINS PRESIDENCY;

PLEDGES TO WORK TO FULFILL GOALS

11. SUMMARY. NATIONAL INDEPENDENCE HERO XANANA GUSMAO HAS WON A RESOUNDING VICTORY TO BECOME THE FIRST-EVER ELECTED PRESIDENT OF EAST TIMOR. XANANA WON 83 PERCENT OF ALL VALID VOTES CAST. XANANA, WHILE MINDFUL OF THE PRESIDENT'S CONSTITUTIONAL LIMITATIONS, INTENDS TO PLAY A LEADERSHIP ROLE IN MOBILIZING CITIZENS TO IDENTIFY NATIONAL PRIORITIES AND RECOMMEND SOLUTIONS. AS HE TRIES TO LEAD, HE MUST MOVE CAREFULLY TO AVOID GIVING THE IMPRESSION THAT HE IS TRYING TO USURP POWERS, WHICH LEGITIMATELY BELONG TO THE PARLIAMENT AND CABINET. XANANA INDICATED HE WOULD TRY TO TEMPER PUBLIC EXPECTATIONS OF GOVERNMENT. END SUMMARY.

LANDSLIDE VICTORY

- 12. NATIONAL INDEPENDENCE HERO XANANA GUSMAO HAS WON A RESOUNDING VICTORY TO BECOME THE FIRST-EVER, ELECTED PRESIDENT OF EAST TIMOR. XANANA WON 83 PERCENT OF ALL VALID VOTES TO BEST HIS ONLY OPPONENT, FRANCISCO XAVIER DO AMARAL. EIGHTY-SIX PERCENT OF ELIGIBLE VOTERS CAST BALLOTS. XANANA SHOWED BROAD APPEAL. HE WON EVERY DISTRICT EXCEPT FOR XAVIER'S HOME REGION. STILL, CONSIDERING XAVIER'S LIMITED RESOURCES AND HIS ILLNESS DURING THE FIRST PART OF THE CAMPAIGN, HE MADE A RESPECTABLE SHOWING AGAINST THE POPULAR, CHARISMATIC GUSMAO.
- 13. XANANA SERVED NOTICE IN HIS VICTORY STATEMENT THAT HE WOULD WORK TOWARD HIS GOALS OF AN OPEN PRESIDENCY, RECONCILIATION, JOB GROWTH AND FRIENDSHIP WITH BIG NEIGHBORS (AUSTRALIA AND INDONESIA). HE WILL WORK TO DIRECT THE GOVERNMENT'S PROGRAMS TOWARD PEOPLES' MOST BASIC NEEDS, AND AT THE SAME TIME EXPLAIN GOVERNMENT'S LIMITATIONS TO THE PEOPLE IN THE FACE OF THEIR "HUGE EXPECTATIONS."

CAUTIOUS ON RELATIONS WITH FRETILIN

- 14. XANANA WAS CAUTIOUS IN ANSWERING REPORTERS' QUERIES ABOUT FRICTION BETWEEN HIM AND THE MAJORITY FRETILIN PARTY, WHICH WILL DOMINATE THE CABINET AND PARLIAMENT. HE ACKNOWLEDGED DIFFERENCES WITH FRETILIN, BUT TRIED TO DOWNPLAY CONFLICT, UNDERLINING THAT EVEN IN THE INDEPENDENCE FIGHT, THERE HAD BEEN DIFFERENCES OVER TACTICS.
- 15. XANANA WILL CONSULT AND MOBILIZE THE PEOPLE AND "CIVIL SOCIETY" IN ORDER TO DETERMINE NATIONAL PRIORITIES. XANANA WAS CAREFUL TO ACKNOWLEDGE THE

LIMITED ROLE OF THE PRESIDENT UNDER THE CONSTITUTION, BUT NOTED THAT HE WOULD WORK TO HELP THE CABINET ("THE GOVERNMENT") IMPLEMENT ITS PROGRAMS. IN AREAS WHERE THE GOVERNMENT FELL SHORT OF SOLVING PROBLEMS, HE WOULD TRY TO GUIDE THE GOVERNMENT TOWARD SOLUTIONS.

16. XANANA'S VICTORY POSES A CHALLENGE TO THE MAJORITY FRETILIN PARTY AND ITS LEADER, MARI ALKATIRI. XANANA'S 83 PERCENT TOPS THE 62 PERCENT POLLED BY FRETILIN IN THE CONSTITUENT ASSEMBLY. IT IS CLEAR THAT DROVES OF RANK-AND-FILE FRETILIN VOTERS ALSO CAST BALLOTS FOR XANANA. EARLIER IN THE DAY, ALKATIRI PUBLICLY CONGRATULATED XANANA'S VICTORY, BUT HE DECLINED TO SAY HE WOULD FORM OR BE PART OF A "GOVERNMENT OF NATIONAL UNITY." HE REMINDED REPORTERS THAT THE CONSTITUTION EMPOWERS THE MAJORITY PARTY IN THE ASSEMBLY TO NAME THE PRIME MINISTER, WHO THEN APPOINTS MEMBERS TO THE CABINET. HOWEVER, IN A LATER APPEARANCE IN FRONT OF UNIVERSITY STUDENTS, ALKATIRI PLEDGED THAT "PARLIAMENT, CABINET AND THE PRESIDENT" WOULD WORK TOGETHER.

COMMENT

17. XANANA'S VICTORY STATEMENT SHOWS HE HAS EVERY INTENTION OF PLAYING A LEADERSHIP ROLE IN EAST TIMOR, WHILE RECOGNIZING THE LIMITS THAT THE CONSTITUTION PLACES ON PRESIDENTIAL POWER. AS HE TRIES TO LEAD, HE MUST MOVE CAREFULLY TO AVOID GIVING THE IMPRESSION THAT HE IS TRYING TO USURP POWERS, WHICH LEGITIMATELY BELONG TO THE PARLIAMENT AND CABINET. AT THE SAME TIME, XANANA, MORE THAN ANY OTHER TIMORESE, CAN DO THE MOST TO TEMPER THE PUBLIC'S EXPECTATIONS OF A GOVERNMENT WHICH HAS SCARCE RESOURCES TO MEET A SERIES OF PRESSING NEEDS.

BOYCE